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# "Adapting to Change: Montana in Transition", Rural Electric Coops

Max S. Baucus

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(1) Subject\*: **Economy**

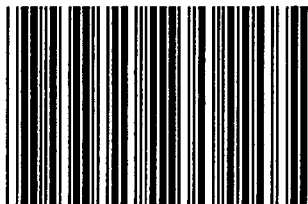
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(2) Subject\* **Rural Electric Coops Remarks**

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## RURAL ELECTRIC COOPS REMARKS

ADAPTING TO CHANGE:

MONTANA IN TRANSITION

by

Senator Max Baucus

October 11, 1989

Look at this.

The Big Sky State -- and the five other  
Centennial Great Plains States -- has been attacked  
by all three of America's big national news  
magazines this month. Not only Newsweek, but TIME  
and U.S. News as well.

Newsweek writes we're dying. They say, "Happy  
Centennial" -- and goodbye. They want to return our  
six states to -- in Newsweek's words -- "it's  
primordial state: empty grasslands."

TIME magazine had the opportunity to report on  
the Cattle Drive -- by what they wrote two weeks  
ago, you'd think their reporter took the wrong jet

plane out of New York City. If he did make it to Billings, then some of you folks must have laughed at his haircut, because the story he made up had nothing to do with the Cattle Drive I rode on!

U.S. News & World Report describes the Great Plains -- and Butte specifically -- as "Brooklyn with open-pit mines." Their "Darker Vision" says bitterness and brutality are part of the life here -- and makes us all out to be drunken, violent thugs.

And these magazines are just the tip of the iceberg. The hottest New York Times bestseller is on the Great Plains. A native New Yorker made the big trip, travelled the Plains for TWO years, returned to the Big Apple and wrote OUR story. And now it's the book that the "movers and shakers" are reading!

To be honest, the author found plenty that's good about the Great Plains, and he even begins to get a feel for the Big Sky. But his New York readers only remember his portrayal of the rough side of the Great Plains, the hardships and the badness.

Two professors from New Jersey are hard at work

on another book about the Plains, this one, an academic "study." They told Newsweek -- and whoever else will listen -- that we should turn the entire Great Plains into a Great Buffalo Commons.

I'd say their "study" is worth about as much as a Buffalo chip.

There's not much new here. We Montanans are getting pretty used to Easterners putting down our way of life.

It's funny how these Easterners have just DISCOVERED the hardships of life on the frontier. The rough life on the Great Plains is now in fashion and making lots of money for New York authors and professors.

Far be it for any of them to actually listen to US, or read our books, or live our lives, rather than assume to know better.

Life in Montana has always been rough. You and I know it. Anybody who lives here knows it. And there's no question that life here HAS gotten rougher in the past decade -- and will probably get worse. Before it gets better.

And that's where we differ with these Eastern elitists and their magazines and studies. They see a tough life and see only one solution: Goodbye. Run away. When the going gets tough, the Easterners get going.

And that's how those people live their lives. With their money, they can thumb their noses at any problem. They don't know what it's like to face up to them.

Well, they don't know Montana.

And they don't know you. The Rural Electric Coops ARE Montana.

50 years ago, had it been up to the Eastern banks and power holding companies, most of Montana would have remained a cold, dark and distant emptiness, beneath a black and icy sky. And it would be that way today.

You're the folks who brought life to the great plains of Montana. You stretched power lines where Wall Street banks forbid the city companies to go; you brought phones to the ranches and family farms of Montana -- when New York-based AT&T refused to.

And today, the growth of our state continues, with your lead. From satellite telecommunications to cellular phones, to fiber optics and fax lines, rural electric coops are leading the way. Fighting the tough times that would cause an Easterner to flee -- and winning.

In Montana, economic development BEGAN, and continues, with rural coops.

Today, I want to share with you my experiences from once-a-month work days.

I started these work days a couple of years ago to learn as much as I could about the various jobs that Montanans hold. They give me a great chance to learn how Montanans think and feel.

One day each month I work at a different job here at home. On these Montana work days I put in a full shift next to the men and women who are the backbone of this state. It's truly an honest day's work.

One day I walked the potlines at Columbia Falls Aluminum with a couple of workers: one had worked

there 22 years, the other, 10 years. One of the fellows said he really appreciated having his job. It was good work and gave him the chance to do the things that were important in his life -- like hunting, fishing and spending time with his family.

One cold winter day I worked the Montana Tunnels Gold Mine in Helena -- punching out clogged holes in the ore regrinder, floating the metal concentrate out of the crushed rock.

This summer, I spent a day at the hospital in Kalispell. I worked as an orderly, joining the housekeepers in emptying bed pans, removing infectious wastes and helping the nurses and doctors -- they even let me take credit for a few births in the maternity ward ...

I get a lot out of these work days; more than just the satisfaction of making an ill person's stay in a hospital that much easier, or the appreciation of a hospital orderly -- who probably hasn't seen his U.S. Senator scrub a floor before.

In meeting the folks who make Montana work, I learn a heck of a lot more about what the Montana economy needs than you can learn from reading what these Easterners are saying we need. I wonder if



Newsweek even talked to one REAL person in Montana!

Well, the folks in New York and Washington may not recognize it yet, but something is happening out here. I pick it up on workdays, in town meetings, and in meetings with farmers, businesspersons and groups like you all. We are coming to the end of a difficult era for our country, for the Great Plains, and for our state. But we are on the verge of a new era and a new decade.

And as we enter the 1990's, never has a fundamental change been so long overdue.

America -- and Montana -- was built on the principle that if you worked hard you would get ahead. The 1980's shattered that principle. Millions of American families today are working hard and still falling behind. And, as our Eastern friends are quick to point out, virtually all of Montana's basic industries have suffered hard times. Agriculture, timber and mining have been cut back: since 1979, these industries have lost some 12,000 jobs, and total worker earnings dropped 25 percent.

We need to provide those Montanans with the hope of a better day -- not a road map out of the

state.

And we in Montana know all too well the double-edged sword of multinational corporations and a changing world economy. From agriculture to resources and manufacturing, a changing world economy is challenging America to prepare for a new economic era.

First, Montana, and the rest of the country, must now compete with the world in selling our agricultural commodities.

We've had some success in breaking down barriers to Montana's export growth. Japan is now buying more beef, and this year the tools of the new trade bill will be employed against countries that persist in maintaining trade barriers. We will combine tough talk with action in Washington on trade this year, and that's good for Montana.

As chairman of the Senate's International Trade subcommittee, I will be working hard with key trade officials to open European, Japanese and Korean markets to U.S. goods. More exports mean more jobs for Montana.

We know what opening the Japanese beef market

West chambers  
Rodney Miller 708-3471  
expired Thursday  
dorel Harrington  
653-6873  
653-6795  
it's in review

did for the price of Montana beef: \$56 more for each fed steer, and that price is still going up.

Last month, Carla Hills, the United States Trade Representative -- and our top negotiator -- called Korea's refusal to open its market to U.S. beef a violation of the Trade Law's Section 301, the law I wrote to help open foreign markets to our products. I'm glad Ambassador Hills took that stern action and I'll be working with her in the coming months to persuade Korea to open it's market, just as Japan did.

Other global changes touch us at home as well. The U.S. is entering into the "information age." By the year 2000, two out of every three Americans working will be employed in information and services industries.

We need to attract those new jobs to our state. They're clean industries, and perfectly geared for a hard working, well educated workforce and an agriculture-based state -- like ours. We need to look at new incentives to bring business to Montana.

First we have to change a few minds.

Just like the news magazine writers and professors, the bankers and corporate planners in New York and Los Angeles have trouble finding us on the map. They think we're too far away, or maybe they think we've all left already.

We have to change that perception.

We have to educate people about Montana. We have to tell them of our independence, our neighborliness, our clean air and flowing streams, our abundance of natural resources, our safe streets, and our strong commitment to education.

When we bring these values together, we're unbeatable.

Montana must use these strengths to its advantage.

As General Omar Bradley said of our nation after World War II: "We need to steer by the lights of the stars -- rather than the lights of each passing ship."

We must make better use of our vast natural resources. We must seek every opportunity to find new uses for our resources and bring more

value-added processing into the state.

We ship raw lumber to Japan -- where it's processed into high-priced plywoods and fiberboard. We need to change the equation -- we need to export finished wood products, made by Montanans, in Montana.

Second, we need to diversify our economic base and begin a serious effort to attract more information, high technology and manufacturing firms into the state. We need to actively advertize and let businesses know that we're interested in them, and we want their investment.

As Chairman of the Rural Economy Subcommittee of the Small Business Committee, I held hearings last year on problems facing rural states like Montana and on solutions to those problems.

Rather than turning tail and running, as Newsweek suggests, we need a new approach to addressing rural problems. With other Great Plains Senators, I've worked to fashion legislation that addresses major barriers to rural America's future.

The first barrier is lack of an adequate

transportation network. Since Congress deregulated the airlines and railroads, rural America has been forced to endure unstable and inconvenient service. At the same time, prices have skyrocketed.

Recently, I lead the fight in the Senate to save the Essential Air Service program which is so critical to Montana. If the Department of Transportation had had its way, seven communities across eastern Montana could have lost all air service.

That is why I threatened to filibuster DOT Secretary Samuel Skinner's confirmation. I knew that if his job were on the line, he'd think twice about letting the proposal go through.

My tactic worked. DOT decided to put the ball back in Congress' court and let us fully fund the program through supplemental appropriations.

During my conversations with Secretary Skinner, I asked him to come to Montana and travel to Glasgow, Glendive, Havre, Lewistown, Miles City, Sidney and Wolf Point. I wanted Skinner to see first hand how critical essential air service is to our State.

He agreed to come. I think it will be a real eye-opener.

We saved EAS through the supplemental this year. But each year, the EAS program remains at the mercy of Congress and a cruel OMB.

I have introduced legislation to ensure EAS does not run short of funds again. My bill makes EAS an entitlement under the Airport and Airway Trust Fund. That way, funds will always be available for the program. Rural communities will be able to plan for the future and attract business investment without fear that air service may one day be eliminated.

Another barrier facing rural areas is lack of an adequate telecommunications infrastructure. Today, telecommunications is as critical to rural America's future as rural electricity, railway and highway systems have been in the past.

I've introduced legislation establishing a loan fund at the Rural Electrification Administration to bring state-of-the-art telecommunications services to rural areas by the year 1994. My legislation enables rural residents, businesses, hospitals and

schools to join and fully participate in the coming "Information Age."

Rural businesses also know the problem of getting money to grow. You know that banks view business in more remote areas as more risky than others. As a result, capital is hard to come by.

Again, my rural development legislation establishes loans at the Small Business Administration for rural businesses. One fund will provide equity capital and guarantees to rural businesses on a 50-50 cost split between the fund and private financial sources.

A second fund will address the problem of unavailability of small scale loans and technical assistance for "microbusinesses" located in rural areas. The legislation will establish a special fund designed to make technical assistance and loans of up to \$25,000 available only to businesses employing 15 people or less.

The Senate has accepted modified forms of my telecommunications and capital formation bills as part of comprehensive legislation on rural development. This legislation is a positive step in ensuring that rural areas have the basic tools



necessary to return to the economic mainstream.

We received more good news last week that will be a direct benefit to our rural communities. For the past few years, we've been able to make small but important changes in how the federal government hospitals. This is critical. Our hospitals are not only the places we go when we're sick. They are sources of community pride. And in many towns, they are the largest employer. The hospital is the heart of many of our small towns.

This year, we're continuing to make progress. Last week, the Senate Finance Committee accepted my latest proposals to improve rural health care.

- \* One increases funding for our 25 sole community hospitals, to keep them from closing;

- \* And another gives doctors who agree to practice in rural areas a bonus payment under the Medicare system.

Pulling all these things together -- government programs, communities, and businesses -- to work for Montana. That's what we need to do.

But what it all boils down to -- as always -- is people. People working together. You and me finding solutions to Montana's problems.

I want the best for Montana. And I believe we can meet the challenges of the future, because we have the people and the tradition to prove it.

The folks at Newsweek, the college professors and the New York book writers don't know any of this. Yet. To them, Montana is the LAST place they'd ever want to be.

But to us, as always, Montana is the LAST, BEST place.

|center

\* \* \*

I've been through a lot with you folks. I was there when the Reagan Administration first tried to gut the rural electric program and I help beat back that assault. Jay and Bob Bergland know they can count on my vote. I can guarantee you that as long as I'm in the U.S. Senate, I won't let this administration, or any other administration, discontinue the rural electric program.

Just last month, when I was driving from Roundup down to Billings -- Driving 3500 head of cattle, that is -- I was struck by how important rural electric coops are to Montana.

We drove that herd under several transmission lines -- Coop lines bringing electricity and phone service to rural Montanans who would have neither without Rural Electric Coops.

I wore a cowboy's clothes, all authentic to one hundred years ago ... and a cellular phone. Fortunately, the phone didn't work until Wednesday night when we came in range of Billings. Again, you folks are bringing cellular phone capability to the WHOLE state, not just to the cities, not just to where the phone company or the power company want to go ..

You folks are all invited to visit the office in Washington -- Jay visits there so much, I find myself taking messages for him! I just hope you'll keep inviting me back to your conventions.

Thanks for having me here today.